



Facilitating the Integration of Automotive Component Manufacturers into Global Supply Chains

UNIDO's Project Experience

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UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

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UNIDO

- Established in 1966 - specialized agency of the United Nations since 1985
- Only UN organization promoting the creation of wealth and tackling poverty alleviation through manufacturing activities
- The Organization focuses on three inter-related thematic priorities:
 - 1) Poverty Reduction through Productive Activities
 - 2) Trade Capacity Building
 - 3) Energy and Environment



Cluster & Business Linkages Unit

- Clusters
- Networks (incl. export consortia)
- **Supplier development and upgrading**
- Public Private Partnerships
- Corporate Social Responsibility
- Community Development



UNIDO CBL Services

- Technical assistance **projects**:
 - Technical guidance and advice on project design, implementation and M&E
 - Capacity building and training activities (training of trainers and training for final beneficiaries: entrepreneurs, BDS, policy makers, academia)
 - Operational tools (analysis, management, evaluation)
- Development of **methodologies, manuals, training kits**
- Expert **Group Meetings and joint learning** programs
- Global **training** courses (Turin) and regional ones
- Action-oriented **research**
- **On-line Policy Tool Box**



Supplier Development and Upgrading

Objectives:

- Enhance the **performance of SMEs** in supplier industries and improve their international competitiveness (*direct shop floor interventions targeting productivity, quality, and CSR issues*)
- **Strengthen the institutional setup/support structure** and establish a pool of well-trained national engineers and market experts (*stakeholder mapping, capacity building, cluster formation and formalization*)
- Facilitate **SMEs' access to international markets** by building up adequate support services as well as strategic partnerships (*linkages and compliance with buyer requirements*)



Supplier Development and Upgrading in the Automotive Industry

- Several projects supporting automotive component manufacturers and linkages with OEMs/Tier 1: India, South Africa, Russia, Serbia, Belarus
- Based on continuous improvement/lean manufacturing tools and methodologies as well as cluster development elements
- Focus on concrete productivity and quality-related results at the company level, the sustainability of support services provided, as well as benchmarking for policy guidance
- Case study development for training purposes and cluster-to-cluster assistance at the global level



Ongoing Automotive Projects



[India](#): running since 1998; 123 SMEs upgraded; >50 national engineers trained in upgrading methodology



[South Africa](#): Benchmarking scheme in place to evaluate effectiveness of support programme for automotive component manufacturers and to support relevant policy initiatives



[Russia \(Samara\)](#): company upgrading and network formation initiated; institutional mapping undertaken



[Serbia](#): 20 companies upgraded as a pilot; cluster body strengthened; linkages created with educational institution and other regional ACs



Ongoing projects in SEE - Serbia

Activities (2008-2009):

- Company workshops and enterprise-level counselling
- Capacity building of the Serbian Automotive Cluster
- Strategic analysis of Serbian automotive cluster and development of cluster vision and strategy
- Enhanced collaboration with and upgrading of the capacity of research and educational institutions to better support S/M sized suppliers
- Increasing focus on regional cooperation and collaboration



Ongoing projects in SEE - Serbia

Outcomes:

- Firm establishment and increasing importance/outreach of Serbian Automotive Cluster
- Enhanced collaboration among AC Serbia members due to regular meetings
- Partnership between AC Serbia and NCPC initiated to enhance environmental management in Serbian automotive industry
- Qualified local counsellors for company upgrading, including study tours to Slovenia and India
- Company improvements noticeable (5S, KAIZEN, visualization, and strategic planning)
- Cluster strategy finalized
- AC Serbia integrated in regional automotive network of Southeast Europe (Bosnia-Herz., Serbia, Croatia, FYR Macedonia, Slovenia) and cooperation portal established



Future priorities and proposals

Serbia: Phase II – Upscaling and Sustainability

- Increase outreach of the project to include additional companies and institutions following pilot phase
- Broaden the scope of technical assistance to include training relating to environmental management, energy efficiency, and occupational health and safety
- Added focus on innovation and technology development through greater cooperation within the cluster and joint project submissions
- Sustainability of the Serbian Autocluster – governance and management
- Greater linkages with OEMs active in the region (Fiat, VW)
- Proposed budget (incl. support costs) ~ € 600,000 for a 3-year project



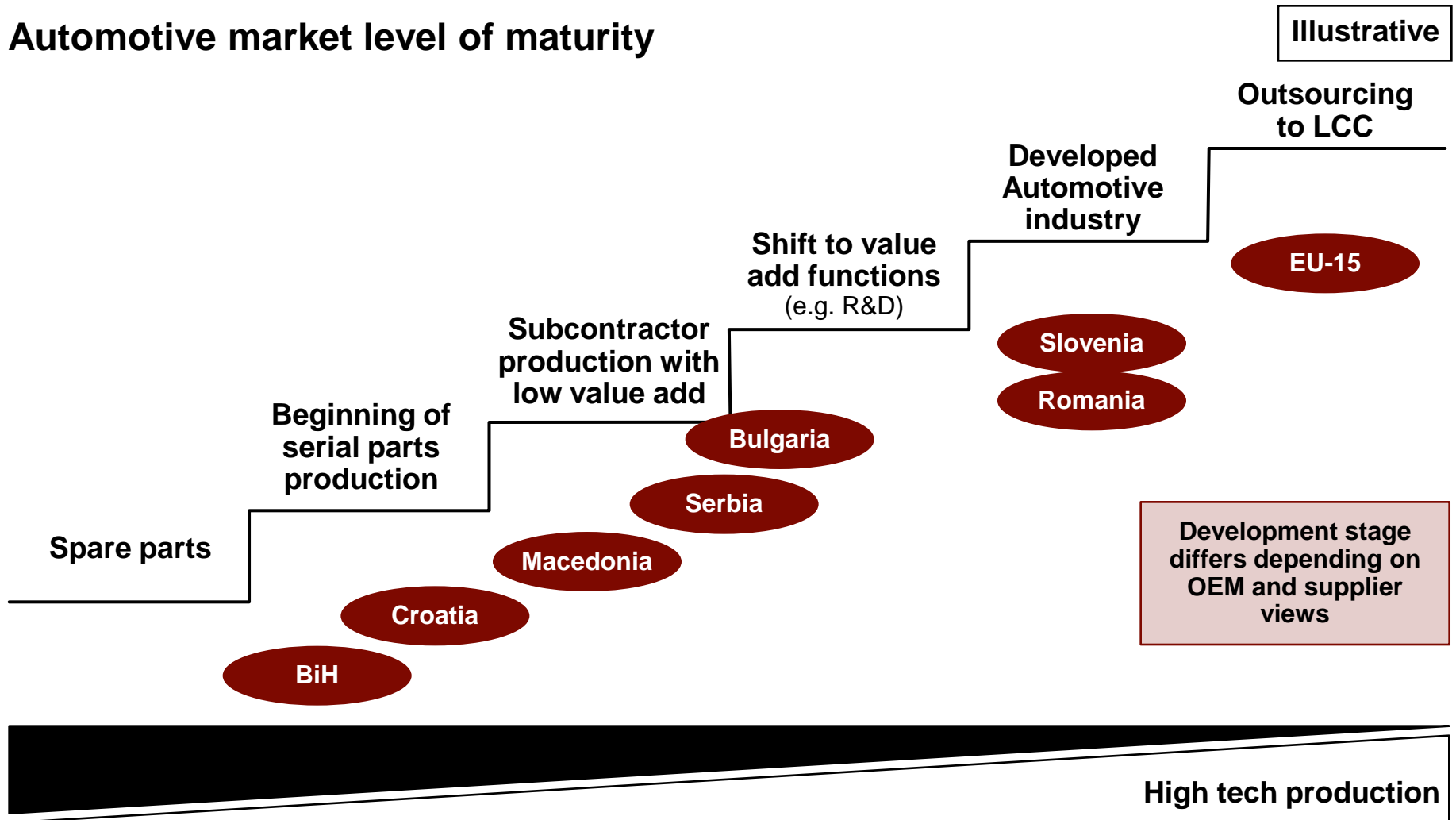
Future priorities and proposals

FYR Macedonia: Institutional Linkages and Skills Development

- Enhanced collaboration between the various actors in the automotive component industry (cluster body, academia, support institutions, enterprises)
- Development of a relevant skills base for company counseling and other skills of relevance to the industry (industry-academia collaboration to enhance curricula)
- Preparation of activities to promote regional integration and cluster to cluster linkages (especially with the Serbian AC)
- Proposed budget (incl. support costs) € 350,000 for a 2-year project

Different development stages of the automotive industry in SEE – towards a regional approach

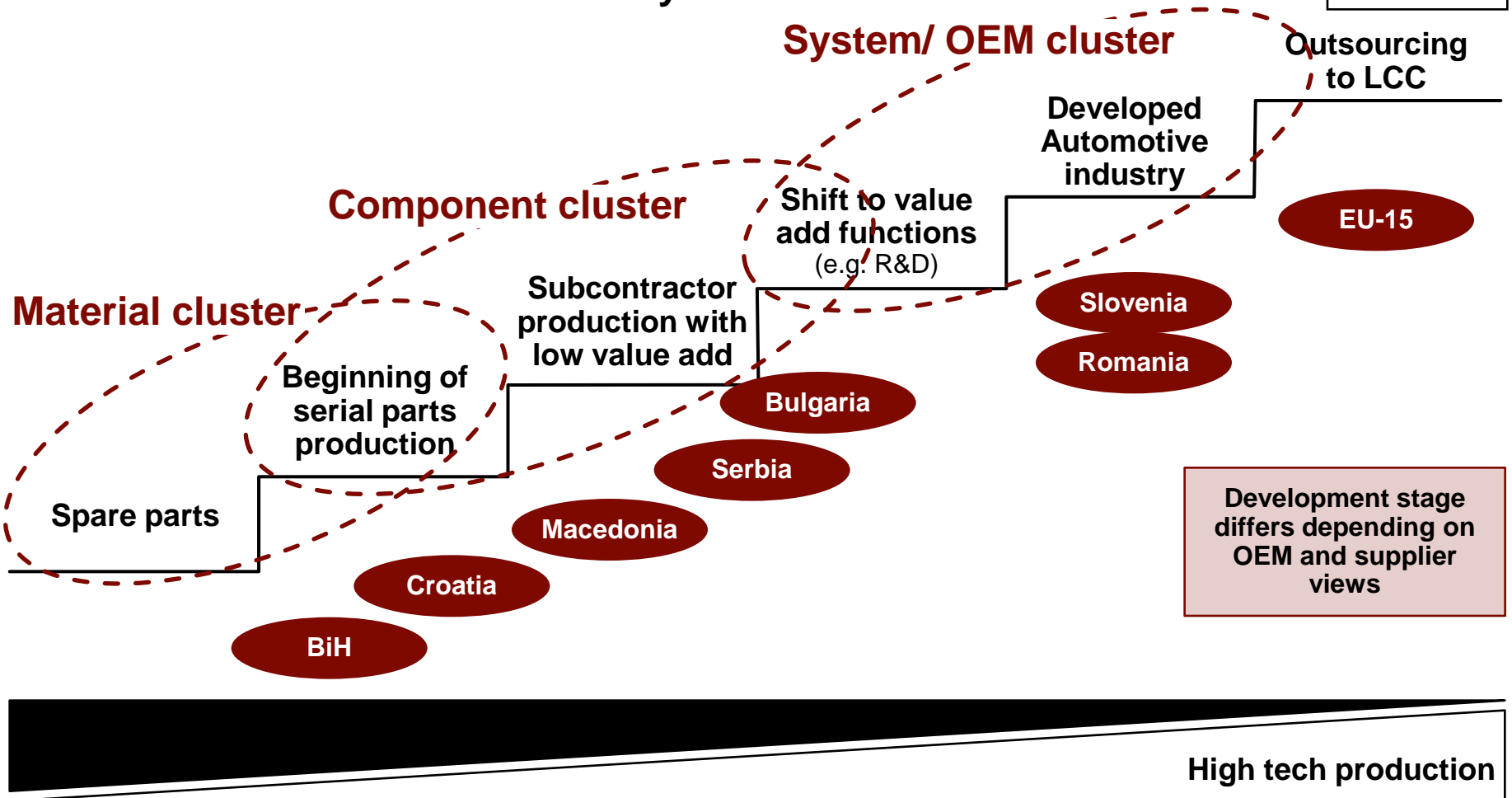
Automotive market level of maturity



Different development stages of the automotive industry in SEE – towards a regional approach

Automotive market level of maturity

Illustrative





Future priorities and proposals

Regional - SEE:

- Integration of **additional services** into the upgrading programme: environmental management, energy efficiency, OHS, CSR
- Scaling up of implementation efforts through development of an **e-learning platform** (online courses, counseling, etc) - in cooperation with partners
- Coordination and alignment of **upgrading activities** across national borders
 - Regional matchmaking and benchmarking approach through **UNIDO's SPX programme** - in coordination with partners
 - Creation of **regional forums** to enable formal linkages between industry relevant institutions (ACs, academic, BDS, Gov) - in cooperation with partners
 - Promotion of a **regional cluster** initiative - in coordination with partners



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